

The gentleman from Texas (Mr. DELAY) is willing to cut however many communities he needs to cut in Texas, to split up communities that have been together since the beginning of our State, if that is what it takes to get him more votes. The question that several of my colleagues have been asking throughout Washington today is whether there has been a going over the limits with reference to using Federal resources in order to further that political agenda. And the reason those questions were raised were comments from Mr. DELAY: his indication that he had a former Justice Department official working on it in his office; that he had a United States Attorney working on it in Texas; that he thought the FBI and the U.S. marshals ought to be pulled into this.

Well, where are we today? Our colleague, the gentleman from Texas (Mr. TURNER), the ranking Democrat on the Select Committee on Homeland Security, this morning sought to get the information about whether the Homeland Security Department had been used for political purposes. He was stonewalled. This afternoon, our colleague, the gentlewoman from Houston, Texas (Ms. JACKSON-LEE), sought to get similar information from the Justice Department. She also was unable to get an answer. And the gentleman from Texas (Mr. DELAY) has been strangely quiet.

The security level of our Nation, the danger to our families, goes up. Comments from Mr. DELAY? They go down. I think the public has a right to know whatever it is that they are so determined to cover up. If this was merely a routine law enforcement request, they do not need an inspector general. Just release the tapes and the other related documents so that everyone can see. Instead, they have ducked and dodged and tried to assign the investigation to a political functionary.

This weekend, the latest chapter in all of this. Instead of responding directly to a communication from 16 Members of Congress to release these documents, we got excerpts of tapes. We got an indication that a gentleman named Clark Kent Irvin was going to be the inspector general who would tidy all this up, investigate it, and give us a fair and complete report as to whether anything had gone amiss. And the Department of Homeland Security indicated in comments to several newspapers around the country that they were mighty proud of Clark. They thought he could do a really good job of this and pointed to his recent work in service to this administration.

What they did not point out was that Mr. Irvin is a perennial Republican candidate, having run for Congress and tried to become a member of the delegation of the gentleman from Texas (Mr. DELAY); having run in what later was an aborted race for the Houston City Council; having run for State representative; and having failed in these several runs for elective office, then began to take a series of Republican patronage jobs.

To his credit, after inquires from the press yesterday and another letter that a number of us sent from the Texas delegation, Mr. Irvin has withdrawn himself from the investigation.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. REYES) is recognized for 5 minutes.

(Mr. REYES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE DEBT CEILING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Indiana (Mr. HILL) is recognized for 60 minutes as the designee of the minority leader.

Mr. HILL. Mr. Speaker, the Blue Dogs are going to be taking this hour to talk about the debt ceiling. And for those who are listening, the Blue Dogs are about 35 Democrats in the House of Representatives who believe that we ought to be fiscally responsible. The debt ceiling, for those who are listening, too, is a process by which we pass a budget and we say that we are going to pay for items in the budget. And if we do not have the money to pay for the items in the budget, then we have to borrow the money.

□ 1745

That takes an act of law. About 7 or 8 months ago, we did not have enough money, so we raised the debt ceiling by approximately \$450 billion. Now 7 or 8 months later, to fast forward to today, we are going to have to do it again. We are going to have to raise it \$984 billion. This is at the same time that a conference committee in these halls of Congress are debating a multi-billion dollar tax cut. Many of us are not in agreement with that, but there are many in this body and the other body that believe that we should borrow the money in order to do a tax cut.

In President Bush's State of the Union address, the President said, "This country has many problems. We will not deny, we will not ignore, we will not pass along our problems to other Congresses, to other Presidents and other generations." I am quoting from the President of the United States. But that is precisely what we are doing in our current budget and economic policies.

The House majority is trying to hide a \$984 billion increase in the debt limit, the largest increase in the debt limit in history. This comes less than 8 months

after we raised the Federal debt ceiling by a whopping \$450 billion. When the President proposed his initial budget in the year 2001, the administration actually claimed there was a danger that the government would pay off its debt by the public too quickly. The administration's request for the second increase in the statutory debt limit is less than a year and shows just how farfetched those warnings were. The majority no doubt hopes that this increase in the debt limit is large enough to avoid dealing with the issue of our increasing national debt until after the election next year.

If the majority honestly believes that tax cuts with borrowed money is good economic policy, they should be willing to vote to increase the national debt to pay for their tax cuts, instead of relying on undercover, parliamentary tricks.

We Blue Dogs are firmly opposed to increasing the borrowing authority by \$984 billion without efforts to restore fiscal discipline into the future and protect taxpayers from higher and higher debt. We understand that we have to borrow monies sometimes to pay our debts, and we feel like we should do the responsible thing and do that, but there ought to be some kind of road map put in place for the American people so we can see somewhere down the line how we are going to get out of this mess, and we are not doing that.

The one tax that cannot be repealed is the debt tax, the cost of paying interest on our national debt. The debt tax consumed 18 percent of all government revenues to pay interest on the \$6.4 trillion national debt last year, including interest on debt held by government trust funds.

We are willing, as I said before, to support a short-term increase in the debt ceiling to avoid the impending risk of default, but we will not support an increase in the debt limit of nearly a trillion dollars to allow the government to continue on the course of deficits as far as the eye can see. It is irresponsible to provide a blank check for increased borrowing authority without examination of the conditions that make such an increase necessary. Just like a credit card spending limit serves as a tool to force families to examine their household budget, the debt limit reminds our Nation to evaluate taxing and spending policies.

A farmer or small businessman who needs an extension of their credit must work with the bank to establish a financial plan in order to get approval from the bank. We should be following that principle by working on putting our budget back in order before we raise our credit limit.

A thorough debate on lifting the debt ceiling is particularly timely as Congress considers tax cuts that could add more than a trillion dollars to the national debt over the next decade. Every dime of tax cuts being pushed by the majority will come from borrowed

money. Under the majority's budget, the national debt would exceed \$10 trillion by the year 2009 and \$12 trillion by the year 2013. The borrow and spend policies of this current majority will leave a crushing debt for future generations who do not have a say in what we are doing and do not benefit from the tax cuts and spending programs.

Mr. Speaker, I yield to the gentleman from Florida (Mr. BOYD) who has been an expert on this issue and a great spokesman.

Mr. BOYD. Mr. Speaker, I thank the gentleman from Indiana (Mr. HILL) for his leadership in the Blue Dogs and his leadership on this important issue for the American people.

Mr. Speaker, I would ask the question, have we lost our way? If the American people understood how this Congress and this administration were managing the United States Government's money, the American people's money, they would fire us all. It is absolutely unconscionable. We must have lost our way.

Let us go back in history a little bit.

Mr. Speaker, 2 years ago when the President proposed the tax cut that was put into place in 2001 of \$1.34 trillion, we were looking at over the next 10 years from an economic forecast of about \$5.6 trillion surplus over a 10-year period. The President claimed then that, even with these tax cuts, we could balance the budget and, even with the \$1.34 trillion worth of tax cuts, we could pay off all of the publicly held debt by the year 2008.

Many of us opposed the bill, but there could be made a legitimate argument that if the economy, if it performed in a very positive way over the next 10-year period that things would have been all right. But things were not all right. The following year, as the gentleman from Indiana (Mr. HILL) said, Congress had to vote to increase the debt by \$450 billion, that is billion with a "B", because of several factors, several things that came along.

Some of them were out of our control, such as the economic downturn and the attacks of September 11. But one thing that was under our control was the economic policy of this administration. All of those things contributed to the fact that now we had to go back a year after that \$1.34 trillion tax cut and borrow \$450 billion in additional money to run our government.

That \$450 billion was supposed to get us through the next 2 years before we would have to go back to the well. That is what we were told then. Now, as we speak, let us fast forward to the present time, the House and the Senate are attempting to resolve their differences on another tax cut bill proposed by this administration which I think under his initial proposal was \$726 billion. We have a House number of \$550 billion, a Senate number of \$350 billion, and so we are trying to resolve what that number should be.

I think we have lost our way, Mr. Speaker. Have we lost our sanity, all

power of reason? As we debate how big the tax cut is going to be, the Senate is struggling with a debt limit increase, how they would do it, of \$984 billion, almost \$1 trillion, the largest debt ceiling increase in the history of this Nation.

These two events do not reconcile. They do not make any sense. No reasonable or prudent person would say you ought to do both. While you have to borrow \$984 billion, you would go out and push through a tax cut of \$500 billion or whatever.

Since 2001, Congress has been asked to increase the Federal debt limit by \$1.43 trillion. The last 2 years, Congress has been asked to increase the debt limit ceiling of this Federal Government, asked the American taxpayer to borrow an additional \$1.43 trillion to support this economic plan and run this government.

That plan so far, that economic plan, has consisted of two tax cuts that total \$1.69 trillion, and we are asking the taxpayers to borrow and for their children to pay back in the future \$1.43 trillion. I think we have lost our way.

We should be reasonable, and we should all come back to the table. It is time to take a deep breath and for the reasonable people of this body and this administration to sit down and start to work together. I think we ought to do three things:

Work together to make responsible fiscal policy, just like we did in 1997 when we did the Balanced Budget Act which got us into balance ultimately.

Secondly, we have to put our country back onto the path to a balanced budget. That is the only way in the long run that we can have strong economic growth, is when the consumer and the investor begin to have confidence that the United States Government is running their business in a fiscally responsible way.

That is the fiscally responsible path we should be on, instead of borrowing money to pay for our tax cuts.

Mr. Speaker, I thank the gentleman for yielding me this time, and I want to reiterate that if the American people truly understood what we are doing in managing our fiscal policy, they would fire all of us.

Mr. HILL. Mr. Speaker, I thank the gentleman from Florida (Mr. BOYD) for those thoughtful remarks and would like to now yield to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I used to talk about the debt of the Nation and the deficit in terms of what we were doing to our children and grandchildren. I called it a generational mugging on this floor last year. That is still the case. We are still mugging our children and grandchildren with debt that we are unwilling to pay and we are unwilling to stop spending for our own convenience and our own purposes, so that is still true.

But I used to say also that I wanted everybody under the age of 30 to listen to me because they were going to be di-

rectly affected by this reckless economic plan that we are engaged in here. Then I moved that up to age 40. Then I had to move it to age 50.

Now with the knowledge that this government borrowed \$111 billion in the first quarter of this year alone, I want to speak to every American who is alive and well and paying taxes because what is happening is we are engaged in a long-term structural tax increase on me and you and everybody that lives in this country because we are unwilling to rein in our appetite for tax cuts and more spending.

□ 1800

Just to pay the interest on the first quarter borrowings this year alone will require an additional \$4 billion next year. When you go to write a check to the Internal Revenue Service next April 15, you will be paying your part of an additional \$4 billion just to finance the interest cost on the borrowings of one quarter this year.

I spoke to the American Hospital Association's convention here in town about 3 weeks ago. Everybody in this country knows the demographics of our population. We are growing older. There are more and more senior citizens as a percentage of our population. And everybody knows what that means to our medical system, Medicare, Medicaid and the rest. I told them, as long as we continue to engage in this economic pattern of borrow and spend, we are just rearranging deck chairs on the Titanic. The iceberg in this economy is the national debt, because it is going to soak up in the form of interest payments to service that debt all of the new money that comes to town.

Last year we had a Federal income, if you want to call it that, of \$1.8 trillion. Of that, we paid or accrued interest of \$332 billion. We actually wrote checks for about \$185 billion. A third of that went to foreigners, because they are the ones that are buying the Treasury auctions of bills, notes and bonds that take place in this town every 2 weeks. This is an unsustainable economic path that this country is following. There is no way, and let me repeat, no way that we can borrow the kinds of moneys that we are borrowing and grow our way out of it.

The reason I say that is because if you do the math, last year, 18 percent of the money that came here went to either pay interest or was accrued to other government trust funds, primarily Social Security. An 18 percent mortgage, as any businessperson knows, is something that cannot be sustained over the long term. There simply is not enough new income, regardless of growth, to take up the slack and to service the debt that we are building. And so I am more concerned about this than I guess I am almost anything save the security of our Nation and the people that live here from the various terrorist groups that we know of around the world, al Qaeda and the rest. But we are building a

long-term structural tax increase under the guise of a short-term tax cut.

Everybody in this country knows there is no free lunch. Every time you hear people say, we are going to cut taxes and that will create jobs, to some degree that is true; but it depends on the kind of tax cut. I do not know if any of my colleagues have heard Warren Buffett; but he wrote an article that was, in my judgment, excellent about the kind of tax cut that the Senate put together this week and the kind that will be discussed in the conference committee. He said basically this: to cut taxes in the way that is fashioned around here and sunsetted in 3 years is ludicrous if one wants to argue that that is stimulative and will create jobs. If we really wanted to do that and we are going to spend money we do not have, rather than a tax cut that benefits primarily people who hold paper that will pay a dividend on, if we really wanted to do that, we would invest in some public work jobs that would do two things: one, additional spending for homeland security on our harbors, on our railroads and on those targets that we think the terrorists are after. That would do two things, create jobs, number one; and, number two, and more importantly perhaps, make our country safer. That would be the way to stimulate the economy if we wanted to go down that road.

But the second thing we ought to do, in my judgment, is realize that when one cuts taxes and has to borrow the money to make up the income lost to the government, we are experiencing short-term gain, but we are putting in place long-term pain. There is no other way to look at it. The interest charges alone next year will approach \$350 billion. That is with interest rates low. If interest rates suddenly spiked up and as the government rolled over its debt, we could be paying 4, 5, perhaps even \$600 billion a year in interest on past consumption before we ever get a dime available for a world-class military, for health care for the people of this country, for education and investment in human capital.

All of these things directly affect us. When people say deficits do not matter, then you better question what they are saying because they have not factored in the carrying charges on this massive amount of debt that has been created here in the last 24 months. As the gentleman from Florida (Mr. BOYD) said, we have been asked to raise the debt ceiling, the amount of money the government can borrow, by \$1.43 trillion in less than 12 months. I do not care what kind of economic theory you subscribe to, supply side or anything else, that is unsustainable. There is no way that this economy can generate that kind of growth in order to service that kind of debt.

I want to thank the gentleman from Indiana for having this Special Order tonight. I do not know what else to say about it, other than I wish the business community would at least pay some at-

tention to what we are saying. There is no businessperson that I know of in this country, certainly they will not be in business long if they do, that would follow this kind of economic plan. Why, then, would you expect those of us who you entrust with the public's business, which is your business, why would you want us to do something that you would not do in your own business? That is exactly what people are asking us to do. It makes absolutely no sense to cut your income with borrowed money, then piling that much debt on and interest will start on it tomorrow. That is why I said, I used to say we are passing it on to our children and our grandchildren. That is still true. But now we are passing it on to ourselves. It is irresponsible. It is reckless.

Just one more thing. The morality issue here of borrowing money for people in my generation to take a tax cut, give the bill to the young men and women in uniform and their families who just fought over in Iraq, when they get home, they get a bill with interest so we could take a tax cut. There is no honor in that kind of behavior. I said that on the floor some weeks ago and I say it again. There is no honor in this House what we are doing. There is no honor in this building in what we are doing to the men and women in uniform. Not since the War of 1812 have noncombatants in this country not been asked by the administration, by the President and the Congress to help pay for a war that others fought for them and in their stead and on their behalf, and that is exactly what is happening here. You can color it any way you want to, but it is what is happening; and there is no honor here in what is going on.

Mr. HILL. I want to thank the gentleman from Tennessee for being a continued champion on this particular issue. I am into my third term here, Mr. Speaker. I came to know the gentleman from Tennessee right away. He has consistently been a voice of reason on this particular issue. He has not changed a bit, unlike others who have changed in this body, about the importance of managing our Federal deficit.

Mr. Speaker, I would like to introduce the senior Blue Dog, of the 35 that are here, and has been the leading voice for the Blue Dogs on this particular issue. I yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. I thank my friend for yielding. I will just make a few additional points.

How many times have we heard, it's your money, we're going to give it back to you? How many times have we heard this from this side of the aisle?

Let us clarify the record. Borrowing money on our grandchildren's future in order to give it to us today in a tax cut, is that really your money? Or is it their money? I happen to believe it is their money. That is why the Blue Dogs have been begging and pleading, arguing, taking Special Orders, presenting an alternative budget. Some-

times we get to vote on it. Other times we do not. But we have been trying to point out the seriousness of the direction of the economy of this country. The Secretary of the Treasury has announced this week that they have used all of their legal tools to avoid default and will run out of borrowing authority by June 2.

I remember a few years ago when the previous administration did this, used all of the legal tools available to avoid default, we had cries of impeachment, impeach Secretary Rubin for doing what Secretary Snow is doing, perfectly legal; but this week now the Senate is going to have to vote. We were so brave when we passed the budget in the House that we hid it in the budget. No one in this body wants to vote on increasing the debt ceiling by \$984 billion. The Senate is going to have to vote on it. There will be 12 amendments on the floor of the Senate which our fellow Senators on the Democratic side have got an opportunity to amend this debt ceiling. I hope they amend it. I hope they send it back.

I would like to see them do what we are prepared to do on this side and, that is, offer unanimous consent to increase the debt ceiling by \$375 billion effective immediately, provided the President will resubmit a budget that will balance by 2008, unified balance. Resubmit the economic game plan for this country instead of blindly following the borrow-and-spend policies that we are now under. How I remember the tax-and-spend Democratic cries that came over and over and over again. What is the difference between borrow and spend?

To those that suggest that this economic game plan that we are under is working, why will we as a Nation owe \$13 trillion by 2013, 2012, if everything works exactly like the economic game plan supporters say it will work? Not worse, not better. Why will we owe that much? Do we realize that in 2012, this country owing \$13 trillion, it will require taxes of \$520 billion just to pay the interest on this debt? \$520 billion. That is assuming 4 percent interest. But anyone that believes that interest rates are going to stay low with the United States conducting our fiscal policy like we are conducting it has got to be dreaming.

One of the happier times of my life is when I stood on this floor and we passed the balanced budget constitutional amendment in 1995. One of the saddest times was standing in the back of the Senate when it went down by one vote. If we had passed the balanced budget constitutional amendment in 1995, we could not have the tax cut on the floor in Congress, in conference going on right now. That is another thing. We are going to have another vote on the balanced budget amendment. I am for it. But I do not see how we stand the laugh test from this side of the aisle unless we submit a budget that balances. The Blue Dogs did. We

submitted a budget that balanced by 2008. We did.

Those who are listening and looking right now, saying, well, there they go, there's those big-spending Democrats. Let me make it very clear, the Blue Dogs that you are hearing from today, we say the President's spending numbers are adequate. We will not propose spending one dime more than the President asked us to spend. Spending is not the issue. It is the economic game plan that we are under. The tax cuts with borrowed money on our grandchildren's future is what the problem is all about.

Just as the gentleman from Tennessee and the gentleman from Florida said a moment ago, borrowing money by itself is not a sin. Everyone does that. We borrow to build a home, we borrow to farm, we borrow to conduct our small businesses. We go to our banker. We explain the rationale for why we are borrowing the money. If we have a good story, they loan us the money. That makes sense. I agree with the gentleman from Tennessee. Take a look at Mr. Buffett's comments today. One of the best rhetorical answers to what the Blue Dogs are talking about that you could possibly have, the best that you could have, questioning the makeup of the tax cuts. And then you have got the Concord Coalition, bipartisan, that has been saying over and over and over again to this Congress, get your fiscal house in order, quit borrowing money on your children's and grandchildren's future. I do not know what it is going to take, because in this body everybody on the majority is just hoping and hoping that the Senate will not amend the debt ceiling so we do not have to vote on it.

But let me issue a little warning tonight to those that believe we are going to escape. Based on current figures, the deteriorating situation of the budget of this country, the deteriorating condition of the economy of this country that has caused this problem indicates that \$984 billion is not going to be enough to get us to November 4, 2004.

□ 1815

I take no satisfaction in that. Because if in fact that is true, that is a serious matter. We believe it to be true. We are not here to be critical without offering a constructive alternative, which we have over and over and over again. Back off from this rhetoric, back off from this rhetoric that says it is their money. It is not their money. They are borrowing on their grandchildren's future. It is not their money.

And just as the gentleman from Tennessee (Mr. TANNER) made the statement a moment ago, and it bears repeating, these are the first wars, and I say wars, Afghanistan, Iraq, the war on terrorism, these are the first wars since 1812 that Congress did not raise taxes in order to pay for the war. No one is suggesting raising taxes. No one.

But many of us are saying why and under what circumstance can we afford to have additional tax cuts under this situation?

I do not know what it is going to take. I do not know what it is going to take to get people to start focusing. I do not know how long we are going to be able to buy \$500 billion of materials and products from the rest of the world more than they buy from us without the law of economics or the law of politics taking over. I do not know.

And of course we know the reason we have been able to do that is others are reinvesting in the United States. How long are foreign investors, now approaching 35 percent of owning all of our debt, scheduled to go to 40, how long are they going to continue to invest in our country if we run our country as we are now running it? Borrowing, borrowing, borrowing, spending, spending and spending. Increasing, increasing, increasing our Nation's debt.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Indiana.

Mr. HILL. The gentleman, of course, is a champion in this area as are the gentleman from Tennessee (Mr. TANNER), the gentleman from Kansas (Mr. MOORE), and all the Blue Dogs. We talk in terms of billions, sometimes trillions of dollars. For people who may be listening in their living room, maybe eating dinner to the debate that is going on here this evening, why is this an important issue to them? Why should they care about this?

Mr. STENHOLM. I start again referring to our grandchildren. 2011 is when the baby boomers begin to retire. Everyone knows there is no disputing that the economic pressures on this country in 2011 and 2012, when the baby boomers begin to retire and begin to draw their Social Security and begin to qualify for Medicare, the pressures on this country are going to be tremendous. That is why we think balancing the budget before we get there so that there will be the money in order to pay off the obligations to those which have been promised under current Social Security law.

So first off to those intending to retire in 2011, it is in their best self-interest that we honor the pledges that were made to them. Then we back off to the grandchildren, and of course they are not old enough to answer this question. They are not old enough to wonder. My two grandsons right now, seven and five, they would not have a clue what I am talking about right now. But the young working men and women just graduating from high school, going on to college, just graduating from college, about to get a job, they understand. They already know that they wish that Congress would make the changes today in the Social Security system so they might have something that is not just promised but that can be reality. If we do not deal with the

fiscal problems of this country today, they will not be able to get that which they are promised to receive.

What does it mean to the average family having dinner tonight? Some of them remember 15 percent interest, 20 percent interest, trying to buy a car, 15 percent interest. Some of them remember what it was like when we had let our economic game plan get out of control. Many of them I would hope would see today that, with the decline in interest rates, they have had a tax cut. An increase in interest rates is going to be a tax increase, just as sure as we are standing here tonight. There is a balance involved in this.

Home building, homeownership, that is something that we pride ourselves in, rightfully so. We support the policies, and we hope we allow more and more families to gain homeownership. We let interest rates get out of control, we will see that dream vanish in a puff of smoke. So this is something I know what the gentleman is getting at and something that I struggle with at home. How do we relate this?

I do not take pleasure in opposing the President of the United States in anything. I have served now with five Presidents. I do not take joy, as some of my colleagues have said, in opposing the President. Basically, the only major area of difference that I have is on this economic game plan because of what I honestly and sincerely believe it is going to mean to the average working men and women. But my dedication to this and the simple answer I give to the gentleman's question is do not forget about our grandchildren.

About 10 years ago, of the 10 largest banks in the world, nine of them were in Japan. All nine of them today are in deep trouble. Deep trouble.

We have an obligation, and somehow, some way the American public is going to have to realize that our country is no different than that family that we are talking about having dinner tonight, that when they sit around and decide how are we going to spend Dad's raise that he did not get? How are we going to spend Mom's raise that she did not get? When one gets to that point in which they do not get the raise, they make readjustments.

And this surplus that is our money, we are going to give it back to them, is kind of like their not getting the raise. The money is not there, and therefore if the money is not there, they readjust, and they certainly do not spend money they do not have unless they are willing to take the chance.

Or put it another way. Would their banker really lend them the money for the tax cut that we are talking about today? Is it really going to benefit the average working family, as our colleagues on the other side say every day? Mr. Buffet says no. Mr. Buffet is right.

I thank the gentleman for yielding, and I appreciate his taking this Special Order today. I hope that somehow, some way as we repeat this, the Senators will find a way to amend this

debt ceiling and send it back over so that we might pass a debt ceiling without bringing our country to the point of default. We are willing to do that by unanimous consent tomorrow; and we should do it tomorrow, quite frankly. We ought to do it right here so we do not go to brinksmanship with the Senate. We ought to do it. We are willing to do it.

Mr. HILL. Mr. Speaker, I thank the gentleman for his eloquence and leadership on this issue and for his explanation, and we look forward for the gentleman from Texas (Mr. STENHOLM) to continue to assert his leadership in this area.

One of the things that the gentleman from Tennessee was talking about was the debt tax that we cannot repeal. He talked about billions of dollars that we are spending in interest. Sometimes people's eyes glaze over when we talk in terms of billions of dollars. What that means to an average family is, if they pay \$1,000 in taxes, approximately \$175 of that goes to pay the interest that we accumulate. So if we would put our house in fiscal order, perhaps we would not have to pay such high interest payments; and that would be a tax reduction in a roundabout way.

Mr. Speaker, I yield to the gentleman from Kansas (Mr. MOORE) who came into the Congress at the same time that I did. We became fast friends right away. I have a tremendous amount of respect for him. He represents the State of Kansas very well, and I am honored to call him my good friend.

Mr. MOORE. Mr. Speaker, I thank the gentleman from Indiana (Mr. HILL). He has been an absolute leader on this whole question about fiscal responsibility with the Blue Dog coalition.

I come at this from maybe a somewhat different perspective than some of my other colleagues, even the Blue Dogs.

Two years ago, President Bush was fresh into office and the economy had started to slow down, even before he came into office, really in President Clinton's term. President Bush, in my mind, is not responsible for the slowing economy. Again, it started happening before he came into office. And he proposed to Congress an idea that he thought might keep the faltering economy from slowing even more, and that was a \$1.6 trillion tax cut over 10 years.

I was a little more conservative than the President; and I thought that, not knowing what was going to happen in the future as far as revenue collections, maybe a \$1 trillion tax cut over 10 years might be more prudent.

Anyway, the House of Representatives passed the \$1.6 trillion requested by the President, and it went to the Senate, and the Senate worked their magic, and it came back at \$1.35 trillion over 10 years. The President had requested \$1.6 trillion. The bill before him was \$1.35 trillion, and he said he will accept that in the spirit of compromise.

I thought to myself, I would prefer a \$1 trillion tax cut, but if the President

is willing to compromise, so am I. So I voted for the President's \$1.35 trillion tax cut, and I still think it was the right thing to do, contrary to what some of my Democratic colleagues say. I still think it was the right thing to do, and I think maybe it slowed the slowdown that had started already to happen and helped us from going even deeper, deeper into a morass.

But at that time according to the Congressional Budget Office, which is a nonpartisan institution that advises both sides of the aisle, we had a \$5.6 trillion projected surplus over the next 10 years, \$5.6 trillion projected surplus. So when I voted for that tax cut, we were in surplus mode.

Mr. Speaker, now we are in deficit mode, and again I do not hold the President responsible for that or the other side of the aisle responsible for that. A slowing economy when the President came in was put in an absolute tailspin by September 11, and nobody except the horrible people who perpetrated that injustice against our country are responsible for that. And some corporate fraud and activities on the corporate level, national level, really shook investor confidence in our markets, I think, and also hurt our economy.

But, again, I voted for that tax cut 2 years ago, but now we are in a different situation. Instead of surplus mode now, we are in deficit mode. When I look at the situation now, I think we need to start thinking about how American families live, and they live by three simple rules that are not written down. They are just common sense.

Number one, do not spend more money than they make; number two pay off their debts; and, number three, invest in basics in the future.

Congress for a number of years exceeded their revenue income by more spending, and we accumulated a multi-trillion dollar debt, presently \$6.4 trillion. We have heard the gentlemen from Texas and Tennessee and Indiana and some of the other Blue Dogs who talked here tonight talk about what that means to us, and the gentleman from Indiana (Mr. HILL) had talked about what we coined the debt tax, debt. Not death tax. Debt tax, which is the interest paid to finance our national debt.

It is the only tax, the debt tax, that can never be repealed. All we can do is pay it off if we can get in a financial position to do that, and I am very concerned about that because the debt tax presently is almost \$1 billion a day. In terms of relative expenditures by category in our Federal Government, the only expenditure category bigger than the interest on our national debt is Social Security. This debt tax is even more. It costs our Government more than national defense. And when we get to that point, something is desperately wrong. We need to rethink our priorities here.

Again, when I voted for the President's tax cut 2 years ago, we were in

surplus mode. Now we are in deficit mode. The President's budget that was proposed for fiscal year 2004 had a built-in \$300 billion debt. Again, I am not holding him responsible for that, but when we request now a \$726 billion tax cut that we cannot pay for, that we are going to have to borrow if we pass this tax cut and has already been said by the other speakers, do my colleagues know who is going to pay for that? Our children and our grandchildren. That is absolutely wrong.

I speak to a lot of college and high school government classes, and when I talk about the virtues of fiscal responsibility in terms of keeping interest rates low, sometimes people's eyes start to glaze over until I tell them about this and who is going to have to pay for this debt, and they look nervously at each other and say "we will," and I say to them they should be angry at their parents and grandparents for leaving them that kind of responsibility. They do not deserve that. It is our debt, and we should pay it.

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To borrow money, to borrow money to pay for tax cuts now, is irresponsible, it is reckless, and it is wrong. It is irresponsible and wrong, and we should not be doing that.

I was in Miami in the airport about 5 weeks ago standing behind a man in line, a long line; and we started talking. I asked him what he did. He said he was a retired CPA. His wife is working; she is still working. He found out I was in Congress.

He said, Congressman, I hope what you will do is vote for the elimination of corporate dividends. I went through a short 2 minutes of what I said here tonight about fiscal responsibility and not saddling our kids and grandkids with additional debt. He said, Congressman, I will tell you what. Why do we not just take care of today, and let them worry about tomorrow?

Unfortunately, I think that is what a lot of people in this country, and I hope not that many, think. Some polls I have seen said people do not want more tax cuts now. They want fiscal responsibility. They would rather see money used, any surpluses that may be generated in the future, used to pay down our debt and to reduce and eliminate our deficits.

We have got to get our financial house back in order, because we cannot survive. As the gentleman from Tennessee (Mr. TANNER) said, the sustainability is not there if we do not get back into a fiscally responsible position.

Other speakers have already mentioned, and I am going to end with this, the baby boomers will soon start to retire in about 2011 through 2012; and if right now we have a \$6.4 trillion national debt, which is the figure, in fact slightly in excess of that, and we add almost another \$1 trillion to it in the next week, at least increasing the debt limit that much, and if it goes up proportionately in the next several years,

we are going to be well over \$10 trillion in debt by the time the baby boomers retire.

That is not sustainable. That is a recipe for disaster for this great country that we love and that we live in, and we should not let that happen to America, we should not let that happen to our kids and grandkids. Fiscal responsibility and a return to fiscal responsibility is absolutely necessary.

I thank the gentleman for yielding.

Mr. HILL. I thank my friend from Kansas for taking the time to talk about this very important issue and for his remarks.

Mr. Speaker, I would like to yield such time as he may consume to the chairman of the Blue Dogs, the gentleman from the State of Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Speaker, I thank the gentleman for yielding, and I am proud to join my Blue Dog colleagues tonight to address an issue that we feel very strongly about and that is the ever-increasing Federal debt that we are accumulating by continuing down this path of continual deficit spending.

A lot of folks today have heard the President call for tax cuts. The President says tax cuts mean jobs. The Blue Dogs have proposed a tax cut plan that will generate more jobs than the President's plan in the short term, but it is a bill that postpones some of the future tax cuts that are already in the law in order to be sure that our tax cut does not generate a larger Federal debt.

Now, why do we believe that is important? Common sense tells us and every household in America knows that when you go along spending more than you take in, sooner or later it is going to catch up with you.

Frankly, the Federal Government today is going down a path recklessly abandoning the fiscal discipline that was established just a few short years ago when we had the first balanced budget in 29 years. That was 2 years ago. How far we have drifted from that path today, when we project somewhere between a \$400 billion to \$500 billion deficit in the current fiscal year.

We have an ever-increasing burden of debt. You do not hear too many folks in the White House or on the talk shows talking about our debt, but it is a debt that is a very significant burden and will be an increasing burden on the taxpayers of this country.

This year alone, our debt runs in the neighborhood of \$6.4 trillion. Now, that is a lot of money, and it is hard to understand how much \$6 trillion is. I will tell you that it means that we pay \$1 billion every day just to cover the interest on that national debt. We spent close to \$332 billion last year on interest on the national debt.

The Blue Dog Democrats believe that is too much interest to be paying on our debt and that the only way to get it down is to reduce our debt. That is why the Blue Dogs proposed a balanced budget plan for this decade to ensure

that we got back to reducing our debt, rather than seeing it go up and up and up.

Under the President's proposal and under the budget that the Republican Congress passed just a few weeks ago, our national debt is projected to increase from \$6.4 trillion today to \$12 trillion. That means 10 years from now we will be paying somewhere between 600 and \$700 billion in interest every year.

Contrast that, if you will, with the projections shared with us for spending on national defense in the recently adopted budget of this Congress. That budget projects that the Department of Defense will spend \$500 billion a year 10 years from now. That is a significant increase from the present. But it also is noteworthy that we will be spending more on interest, \$600 billion to \$700 billion 10 years from now, more money, than we will be spending on national defense.

Today when we pay our taxes and file our individual tax returns, 25 cents out of every dollar we pay goes to pay interest on our national debt. What a waste. That interest is going to double in the next 10 years. In other words, we could be paying 50 cents of every dollar we pay in personal income taxes just to cover the interest on the national debt.

Mr. Speaker, we are going into debt at exactly the wrong time. We are going into debt as we approach the retirement of the baby boom generation. That generation, when they retire, will place great stress, fiscal stress, upon the Medicare system, the Social Security System, when all of those retirees will be eligible for those government benefits. The unfunded liability of the Social Security trust fund is estimated to be \$25 trillion. It is wrong to be cutting taxes today and borrowing the money to pay for the tax cut. It simply means that this generation is going to pass the debt of a tax cut on to our children and our grandchildren. That is morally wrong, it is fiscally irresponsible, and it is heading this Nation down a path that will create grave crises for us in the future.

For us it is about our future prosperity; it is about our future national and homeland security. How can this Nation maintain its status as the strongest military power in the world when its debt is continuing to accumulate and we will have a more and more difficult time every year paying the bills that we need to pay to ensure a strong defense, a strong homeland security, and a strong economy?

The American people can remember the days when Ross Perot was running for President, when he had his charts and he said we had to look under the hood of that automobile and get under there and get our hands dirty and get it fixed. That same message needs to be heard today, because we are heading for a fiscal crisis unlike any ever seen in the history of this country.

The projections of \$12 trillion in debt 10 years from now are not based upon

estimates of the economy maintaining its current status of sluggishness. The presumption is the economy will recover, and we still project a \$12 trillion debt and \$600 billion to \$700 billion every year in wasted interest payments on that debt.

The Blue Dog Democrats say wake up America. Remember that we must pay our bills. Remember that to maintain a strong economy and low interest rates, the government does not need to become the biggest borrower on the planet, because as government consumes a larger and larger share of the available credit, the laws of supply and demand indicate very clearly that interest rates for all of us will go up. So the tax cut we grant today may mean the higher interest payments on home loans, car loans, student loans tomorrow.

There is no free lunch, and those who promise today the free lunch of tax cuts are also handing you a debt that must be paid by our children, a burden of debt that will result in higher interest rates tomorrow and a less prosperous America.

The Blue Dog Democrats believe that fiscal responsibility in Washington, just as fiscal responsibility around the kitchen table, is a message that should be heard by every American; and we call on this Congress tonight, on the verge of raising the debt ceiling, without a vote in this House, by almost \$1 trillion, to retake the high ground, to recognize that we have been through a war, when every American wants to do their part and pay the bills for that war, instead of charging the costs of that war to the very men and women who fought that war; Americans who believe that our bills should be paid, our books should be balanced, and we should have a strong economy today and tomorrow.

Mr. Speaker, we hope this message will be heeded by our colleagues in this Congress tonight.

I thank the gentleman from Indiana for yielding me time this evening.

Mr. HILL. Mr. Speaker, I thank the gentleman from Texas for his eloquence and his leadership on this particular issue.

Mr. Speaker, that is the number of Blue Dogs who will be speaking tonight. We feel very strongly about this issue, as you have heard and the American people have heard. It is very hard to get the message out across because interest rates are very low right now, but there will come a day that, if we do not put our fiscal House in order, we could return to the days where interest rates were very, very high; and I do not think we want to do that, for the sake of not only this generation, but the next.

LOWERING PRESCRIPTION DRUG PRICES IN AMERICA

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced